

STATE OF CALIFORNIA

Energy Resources Conservation
And Development Commission

In the Matter of:)	Docket No. 97-AFC-1
)	
)	
The Application for Certification)	
For the High Desert Power Project [HDPP])	
_____)	

**DIRECT TESTIMONY
OF BOB ALMOND ON
WATER
And Related Matters
FOR THE
HIGH DESERT POWER PROJECT**

Respectfully submitted:

February 11, 2000

Bob Almond

**PREPARED TESTIMONY OF BOB ALMOND
ON WATER FOR THE
HIGH DESERT POWER PROJECT**

1. **Q. Please state your name, occupation and place of business?**
 A. My name is Robert [Bob] Almond and I own and operate my own colored rock business in the City of Victorville.

2. **Q. Are you familiar with the hydrology of the Mojave River?**

 A. A. Yes. I have a broad knowledge of water related matters in the State of California and the Southern California high desert in particular due to my participation on the MWA and Baldy Mesa Water Districts over the past several years.

3. **Q. Are you a MWA Board Member at the present time?**

 A. Yes.

4. **Q. As a member of the MWA Board, are you familiar with the California Superior Court Judgment on adjudicating the water within the Mojave Water Agency?**

 A. Yes.

5. **Q. As a MWA Board member, did you become familiar with the term "Physical Solution?" and can you explain that term?**

 A. Yes. The term means a way to physically solve the overdraft, by balancing the natural and artificial water intake to the basins with the outflow.

6. **Q. As a MWA Board member, did you become familiar with the term "ramp down"?**

 A. Yes.

7. **Q. Please explain what that term means?**

 A. Yes. All parties fundamentally believed that each basin was hydrologically connected so that annual natural flow went to the benefit of each basin. Because of this interconnection of water, each water producer in each basin would be required to reduce production by 5% per year until the natural inflow of water balanced with the production and required outflow. This process is known as the ramp down.

8. Q. As a member of the MWA Board, when did you become aware of the High Desert Power Project and its proposed use of State Project Water?

A. In late 1998, the HDPP made a presentation to the MWA Board stating they wanted to purchase State Project Water on a fully interruptible rate under MWA's Ordinance 9. At that time, the HDPP's General Manager explained that MWA was not entering a contract rather MWA was only agreeing to process the HDPP application, or the application of the City of Victorville. The Board's concerns about CEQA and providing water for all projects to be developed at George Air Base would be addressed as a part of the conditions attached to their application.

During the following year at many MWA Board meetings Mr. Gary Ledford, informed the Board as to the progress of the HDPP. He presented the Board with information to explain what he perceived as an inequity relative to the HDPP Application as well as a companion project being proposed by the City of Victorville to use reclaimed water on George Air Force Base. It took some time to fully realize the impacts associated with the HDPP project and its companion project.

Perhaps as importantly is the precedent that may be set through the implementation of this project.

9. Q. As a member of the MWA Board, did you research these issues and form an opinion about the use of State Project Water by the HDPP and the City of Victorville's use of reclaimed water?

A. Yes I did.

10. Q. Can you please tell the Committee what your conclusions were?

A. Yes. There was no way to put High Desert Power on a level playing field with all of the other water rights holders without requiring this new 100% consumptive use of water to either retire a free production right or purchase the same amount of water that any producer would have purchase to replenish in the water basin. We also had the input of new board member Ed Stringer, who agreed that restoring the basin would require replenishment water.

The issue was thoroughly researched by the board and by the MWA staff who informed the Board on how to proceed to amend ordinance 9 to insure that all producers were treated equitably. This action was taken in just prior to the November elections.

11. Q. So the record is clear, after many months of study, a majority of the Board of Directors of the MWA, directed staff to amend Ordinance #9, to reflect that all new 100% consumptive users of water would be required to pay for two

acre feet of water for each acre foot consumed, and that was to be consistent with obligations of all water producers under the judgment, is that correct?

A. Yes.

12. Q. Are you aware we are specifically here today to review the contract with the Victor Valley Water District to store and recover water from the overdrafted water basin?

A. Yes.

13. Q. Have you reviewed the contract and do you have any opinions about it?

A. Yes. I have reviewed the contract and the related exhibits, especially the exhibit that shows the various water lines. I can see from the water line exhibit that these lines are fully oversized. I am concerned that the objective of VVWD and the City of Victorville is much greater than what they have stated in this approval process.

14. Q. As a member of the MWA Board , are you aware what the term **Growth Inducing Impacts** means, and if so, will you please explain that term as you understand it.

A. Yes. First, these water treatment plants are modular and can be easily added onto for further capacity. Assuming that the HDPP Water Treatment Plant is designed to treat only 4,000 acre feet of water per year. After the initial banking, the plant would be idle for significant periods of time. At a minimum this would amount to 3,500 acre feet per year if the banking project works as they anticipate. This water would be used for development outside the scope of the environmental studies conducted by the California Energy Commission. The water you have considered for use is directly on the Power Project. Since they would have generated a surplus capacity of at least 3,500 acre-feet of treated water, this action if approved would be a growth inducement for the project area, not studied at the present time.

15. Q. Are there any reasons that the Committee should be concerned with the VVWD contract?

A. Yes. The contract allows for VVWD to store and extract water for its own use. The importance of this at this time, it that it has never been studied as to its overall impacts. We do not know what the minimum or maximum might be. You might say it is just a blank check. More importantly what happens if the VVWD does not comply with the CEC conditions, it does not appear that VVWD is under the jurisdiction of the CEC. Further, the CEC should be very concerned that VVWD's contract with HDPP is for a period of 80 years, far exceeding its study period as well as the useful life of the project. These issues should be separately studied for their Growth inducing impacts.

16. Q. Are there any companion or cumulative issues that the committee should be concerned about?

A. Yes. The Mojave Water Agency “became aware of a formal application from the City of Victorville to use reclaimed water from the waste treatment plant. The agency has filed a letter of objection to this sale and use reclaimed water at the former George Air Force Base. The MWA Board along with several other producers objected to this use of water.

17. Q. Can you explain why?

A. The reason for the objection is that many of Board members along with other producers believe that proposed 18” pipeline is being “disguised” as an irrigation pipeline when the actual intent is to use the water from the pipeline in the HD Power Plant. Mr. Barnett in a conversation with me at MWA told me, “we are not going to be using water out of the aqueduct anyway”. This statement by Mr. Barnett led me to believe that HDPP intends to use the water from Victor Valley Wastewater Authority.

18. Q. Can you describe the routing of the proposed VVWRA pipeline?

A. Yes. The pipeline comes south about 1 mile from the HDPP site and runs directly along the property line of the HDPP, and eventually is discharged into an open pond.

19. Q. Why is this of concern to you?

A. The problem is that if the City of Victorville is able to set a precedent by using the treated water, this again will negatively affect the balance of the water in the flood plain aquifer and the cost that all producers are required to pay. By way of example, VVWRA is proposing to charge \$35.00 per acre-foot for this water, whereas the producers would be required to pay \$177 an acre-foot to replace the water directly from the MWA.

20. Q. Is the Victorville's application subject to the approval of the California State Water Resources Control Board?

A. Yes. The SWCB has put hearings on this issue on indefinite hold until the California Supreme Court makes its final ruling in the Adjudication. The SWC Board concluded that Water Rights of the parties may be effected by any decision and has elected not to hold public hearings until the Supreme Court rules.

21. Q. As a MWA Board member, will a decision by the California Energy Commission on the HDPP that allows 100% consumptive use of water impact the MWA?

A. Yes. The plan may be president setting and does nothing to cure the overdraft. It is obvious to me that until there is a final adjudication that it

will be difficult to obtain a ruling from the Kaiser court that will be meaningful, this is especially true for the Water Master that would have to approve a Storage Agreement. At this time the MWA Board has not even seen a draft of a proposed agreement.

22. Q. Is your position on the MWA Board an elected position?

A. Yes.

23. Q. Are board positions usually hotly contested elections?

A. No. Not usually.

24. Q. In a usual campaign, what do you spend to run for a seat on the Board?

A. Usually, board members spend from \$2,000 to \$8,000 to run for office.

25. Q. Was this the case in the most recent election?

A. No. The amounts that I have investigated show that MWA board member s spent from a low of about \$2,000, to \$8,000 on each of their own campaigns. However, the High Desert Power Project provided money to get members elected to the board that in some cases more than tripled that expenditure.

26. Q. You said that running for a MWA Board seat is usually a low-key campaign financed locally. Can you explain how the most recent election was influenced by money from outside the community?

A. I believe that HDPP bout the election. After the MWA Board adopted the new consumptive use policy, the High Desert Power Project through their partners, Inland Group and Mr. Buck Johns and Constellation Power, contributed over \$85,000 to support the campaigns of individual that made commitments to provide water to the plant. This money was contributed to a local PAC, who put together several mailers. These mailers made numerous false statements about some of the candidates, attacking their honesty, integrity and long-standing good names. These mailers along with an extensive phone campaign began just a few days before the election. This campaign cost well over \$90,000 dollars. I have attached Exhibit "A" to this testimony which is a true and correct copy of the Campaign Disclose filed by the Victor Valley Economic Development Committee. This document demonstrates that 95% of the funds for this committee came from the Power Project.

27. Q. As a MWA Board member, does the recent electioneering for open Board seats cause you concern?

A. Yes, I became more concerned about HDPP's creditability in presenting information to MWA's Board. It is apparent to me that they will spend whatever amount of money they need to gain the political influence that they need to get the HDPP approved.

This includes, fabricating lies, distorting half-truths and slandering a person to get their objectives.

28. Q. Have you reviewed the Campaign materials from the Victor Valley Economic Committee?

A. Yes.

29. Q. Are you familiar with campaign contribution rules?

A. Yes. I've run for office.

30. Q. What is the rule for contributions over \$1,000?

A. Candidates are required by law to report contributions over \$1,000 within 24 hours.

31. Q. Did the candidates timely report the contributions of \$1,000 received indirectly from HDPP?

A. I have not been able to find where any of the contributions from HDPP to any of the candidates were reported. Based on this omission, Someone should file a complaint with the Fair Political Practices Commission to investigate this issue.

31. Q. Did you read the literature and fliers that were produced from the funds provided by HDPP?

A. Yes. I read all the literature.

32. Q. Did you read mailers in support of candidates as well as mailers in opposition to candidates?

A. Yes.

33. Q. Based on your personal knowledge of the work of the MWA Board and the Board members, who were being challenged, was the literature accurate?

A. A. No. Fliers opposing the re-election were slanderous and full of false statements.

34. Q. Is it your belief that this decision should be reversed again?

A. Yes. I believe the HDPP got their people elected by spending an average of \$15,000 for their candidates and by mailing fliers with incorrect information.. I believe the new board members failed to timely disclose the contributions as well as the overall vastness of the conflict, and I believe the actions of the board should be reversed.

35. Q. Were you present at a Mojave Water Agency Water Master Board meeting within the past three weeks where a consumptive use study was presented by Albert Webb?

A. Yes.

36. Q. Can you tell the committee what the results of that study were.

A. Yes. The result of the study showed that for the next water year all basins will have to ramped down an additional five percent, with further rampdowns expected. Also in order to balance the basins as of this current water year, MWA would have purchase 52,350 acre feet of water and spread this water in the basins.

37. Q. Have you attached a copy of the study presented to the Watermaster?

A. Yes. I have attached as Exhibit "B" a true and correct copy of the study, although it is not completely finalized, I do not expect the figures to change.

38. Q. Does this complete your testimony

A. Yes.

Exhibit "A"

Form 460

Recipient Committee

Victor Valley

Economic

Development

Committee for

\$86,000 in

Contributions from

HDPP

Exhibit "B"

Consumptive Use Study